

Housing Starts

Alberta starts rebound in the second half of 2011...

The number of Alberta homes starting construction fell in December. Alberta housing starts dipped 5.4% in the final month of 2011 to 28,300 units. Despite the monthly decline, starts came in 37.4% higher than December 2010 levels.

After a slow start to 2011, new home construction finished the year on a much stronger note. Alberta housing starts were up in every quarter of the year, improving from 20,900 units in the first quarter to 30,400 in the fourth quarter, indicating an upward trend. However, the second half rebound could not offset the weak start, as Alberta housing starts declined 5.3% in 2011 on average compared to 2010 levels. (All figures are seasonally adjusted at annual rates, SAAR)



New Housing Price Index

Alberta house prices remain steady ...

Alberta housing prices continue to stay relatively flat, reflecting balanced market conditions. New home prices edged down slightly in November (-0.1%), but were up a modest 0.4% when compared to the same month last year. At the city level, Edmonton new house prices were up slightly (+1.1%) year over year, but down marginally in Calgary (-0.1%). After hitting their bottom in May 2009, Alberta new home prices have posted only a 1.9% increase.

Building Permits

Alberta permits post annual gain in November ...

The value of building permits, an indicator of future construction activity, came in at \$889.2 million in November, 7.9% below October levels. Despite the monthly decline, permits were up on a year over year basis (+2.6%) for the fifth straight month in November, as improvements in residential permits offset declines in the commercial and industrial sectors.

Canadian Dollar (US\$/C\$)

-0.1%	January 13, 2012	97.61
	January 6, 2012	97.73
	2011-12 Fiscal YTD Average	100.93

WTI Oil US\$/bbl*

-2.8%	January 13, 2012	\$98.70
	January 6, 2012	\$101.56
	2011-12 Fiscal YTD Average	\$95.55

Nymex Natural Gas US\$/MMBtu*

-12.7%	January 13, 2012	\$2.67
	January 6, 2012	\$3.06
	2011-12 Fiscal YTD Average	\$3.93

*Based on the closing price of the near month contract

Overall in 2011, permits are on pace to surpass 2010 levels by around 7%.

International Merchandise Trade

Alberta exports continue upward trend...

Alberta exports continued their ascent in November. Exports posted a strong 3.6% gain compared to October, due mainly to growth in energy products, forestry products as well as industrial goods and materials. On a year over year basis, Alberta exports rose for the 23 straight month (+26%), fuelled in large part by higher oil prices.

Nationally, Canada's trade balance swung back into the black in November. The trade balance shifted from a deficit of \$0.5 billion (revised) in October to a surplus of \$1.1 billion in November, mainly reflecting a jump in exports and a pullback in imports. Canada's trade surplus with the US reached its highest level (\$4.6 billion) since January 2011.

Insolvency Statistics

Bankruptcies on the decline ...

Alberta bankruptcies declined 24.7% to 545 in October from the same month last year. The decline was entirely due to lower consumer bankruptcies, which fell 26.4%, reflecting improvements in labour market conditions. Nationally, bankruptcies declined by 19.4% over the same period.

Natural Gas

Natural Gas prices plummet...

Natural gas prices dropped significantly this week as warm weather pushed inventories higher. The benchmark Nymex natural gas price declined 12.7% on Friday compared to a week earlier. Natural gas prices have been weighed down in recent years by growing North American supplies of natural gas, keeping inventory levels elevated.

Current Economic Indicators

	2009	2010	2011YTD [*]	July	Aug	Sep	Oct	Nov	Dec
Population									
Population ¹ (000's) (level)	3,672	3,721	3,779	3,779	--	--	3,799	--	--
% change	2.2	1.3	1.6	1.6	--	--	1.7	--	--
Net Interprovincial Migration ¹ (level)	13,184	-2,183	13,660	4,720	--	--	3,136	--	--
Net International Migration ¹ (level)	16,835	21,533	14,093	8,313	--	--	7,580	--	--
Net Non-permanent Residents ¹ (level)	19,162	-77	-7,988	1,233	--	--	2,295	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,093.6	2,103	2,110	2,118	2,126	2,130	2,131
% change	-1.3	-0.4	3.8	3.8	4.2	4.8	4.3	4.8	4.9
Unemployment Rate (%)	6.6	6.5	5.5	5.5	5.6	5.4	5.1	5.0	4.9
Participation Rate (%)	74.3	72.9	73.7	73.9	74.1	74.2	74.1	74.1	74.0
Average Weekly Earnings (\$)	950.01	993.13	1,036.43	1,026.42	1,044.26	1,050.15	1,049.31	--	--
% change	2.8	4.5	4.7	2.6	4.3	4.5	4.5	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.4	1.9	2.9	2.8	3.4	3.2	--
Excluding food and energy	1.4	0.8	0.8	0.4	0.8	1.4	1.1	1.5	--
Non-Res. Building Cons. Price Index ²	-9.8	-0.1	3.1	--	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	15.8	15.5	10.8	13.1	10.5	--	--
Crops	-18.9	-14.5	15.9	21.2	7.3	8.8	1.3	--	--
Livestock	-2.8	5.7	16.8	13.8	15.4	14.6	18.3	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	25.5	25.5	31.1	24.4	33.0	29.9	28.3
% change	-31.6	33.5	-5.3	-13.6	34.1	-9.6	25.0	34.7	37.4
New Housing Price Index	-9.0	0.5	0.4	0.1	0.2	0.0	0.7	0.4	--
Edmonton	-11.2	-0.8	0.9	1.1	0.9	0.6	1.1	1.1	--
Calgary	-6.7	1.7	-0.1	-0.8	-0.5	-0.5	0.3	-0.2	--
MLS Average Resale Prices (\$ 000's)	340.5	350.9	355.7	353.6	356.9	362.4	358.3	360.4	--
% change	-3.1	3.1	0.8	0.4	2.4	2	2.9	1.8	--
Edmonton	319.1	326.5	325.0	326.1	325.5	332.5	326.9	326.7	--
% change	-3.5	2.3	-1.3	0.0	-1.3	1.5	0.6	-1.1	--
Calgary	384.3	397.4	402.2	399.2	405.7	408.5	402.1	402.2	--
% change	-4.2	3.4	0.7	-0.9	3.6	-0.4	1.5	-0.2	--
Retail Sales	-8.3	6.0	6.9	6.9	7.2	8.0	10.4	--	--
New Motor Vehicle Sales	-21.7	9.3	8.9	7.0	5.7	5.5	20.0	--	--
Consumer Bankruptcies	9,986	8,150	5,969	534	595	525	515	--	--
% change	64.6	-18.4	-14.3	-14.7	-3.3	-28.3	-26.4	--	--
Business Sector									
Rigs Drilling	128	207	285	240	323	346	335	330	338
% change	-45.6	61.3	37.9	20.8	45.4	95.5	28.7	19.4	25.8
Goods Exports (customs based)	-36.6	12.4	16.5	16.4	24.5	23.7	18.1	26.0	--
Energy	-40.2	17.2	17.6	19.2	25.2	22.2	21.9	28.0	--
Agriculture	-12.3	-14.4	10.1	8.4	7.4	29.5	23.0	19.3	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.4	15.0	--	--	--	--	--
Manufacturing Shipments	-23.7	11.0	17.2	16.8	18.1	22.5	15.0	--	--
Wholesale Trade	-15.9	10.8	14.6	15.9	14.2	12.5	17.1	--	--
Building Permits	-14.2	2.1	7.0	17.4	39.4	29.6	12.7	2.6	--
Residential	-11.8	24.7	1.6	9.5	29.0	33.3	21.4	26.5	--
Non-residential	-16.3	-19.0	14.7	30.3	53.0	24.6	1.2	-22.7	--
Business Bankruptcies	405	378	227	15	26	23	30	--	--
% change	-9.4	-6.7	-27.9	-44.4	-13.3	-32.4	25.0	--	--

Government of Alberta ■

Finance

Alberta

* YTD - year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

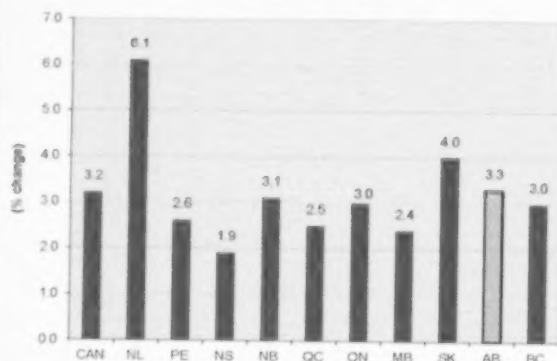
¹ Quarterly; annual numbers are presented on a census year basis (July 1-June 30).

² Quarterly, average of Calgary and Edmonton

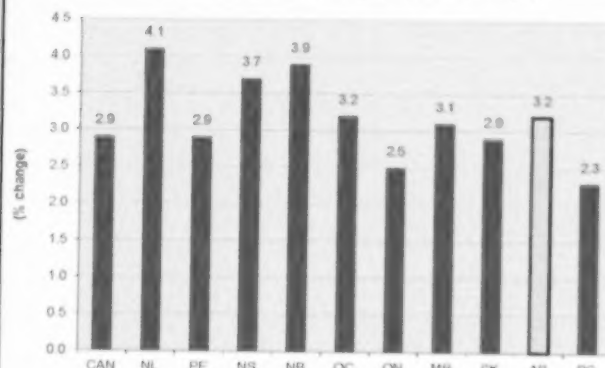
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province

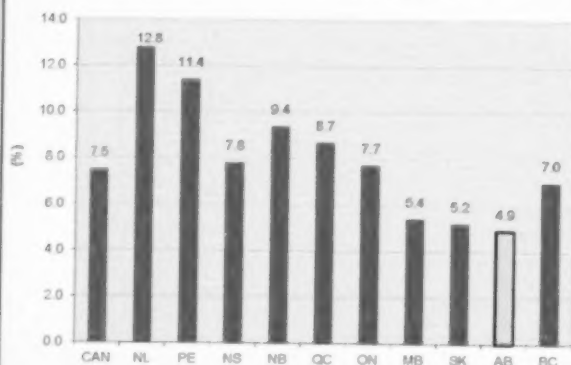
2010 Real GDP Growth by Province
(2010, year-over-year growth)



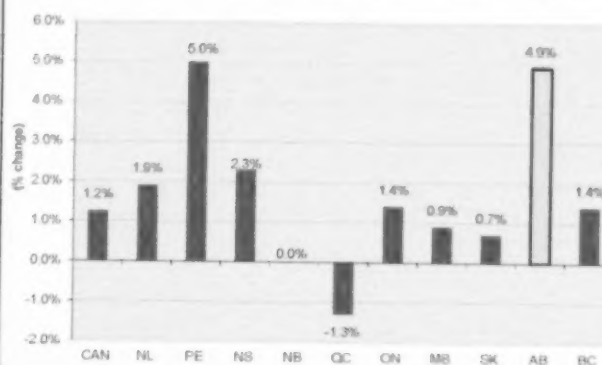
CPI Inflation
(November 2011, year-over-year % change)



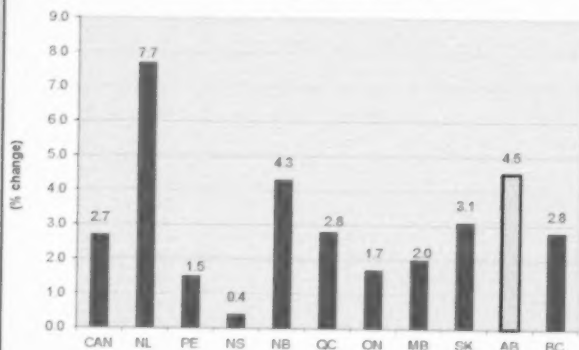
Unemployment Rate
(December 2011, Seasonally Adjusted)



Employment
(December 2011, SA year-over-year growth)



Average Weekly Earnings
(October 2011, year-over-year growth)



Housing Starts
(SAAR November 2011)

